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C O N F I D E N T I A L SECTION 01 OF 02 JAKARTA 000779

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SUBJECT: STAGE SEEMS SET FOR THREE-WAY RACE FOR PRESIDENT

REF: A. JAKARTA/POL:HARSHA - OPS CENTER 05/02/09 EMAIL
[1](#)B. JAKARTA 775

Classified By: Pol/C Joseph L. Novak, reasons 1.4(b+d).

[1](#)1. (C) SUMMARY: VP Jusuf Kalla on May 1 announced that Wiranto (one name only), a former general and leader of the Hanura Party, will run with him in the July presidential election. This lackluster partnership has little chance of winning and many in Kalla's Golkar Party do not support it. With this news, the stage seems set for a three-way presidential contest involving President Yudhoyono, former president Megawati and Kalla. Yudhoyono remains in a commanding position to win in July. Speculation is spiking re whom Yudhoyono might pick as his VP running mate with new names emerging as the flavors of the day. END SUMMARY.

MAY 1 ANNOUNCEMENT

[1](#)2. (SBU) Spurned by President Yudhoyono who did not want him as his running mate again, Kalla has turned elsewhere. On May 1, VP Kalla teamed up with Hanura Party founder and controversial former armed forces chief Wiranto in a run for president. In April national legislative elections, Golkar garnered a projected 14-15% of the vote and Hanura 3-4%, while three smaller parties in this coalition got about 3%, giving this ticket just enough votes to meet the 20% threshold needed to field a candidate under Indonesia's complicated election rules.

[1](#)3. (SBU) VP candidate Wiranto ran for president on the Golkar ticket in 2004, coming in last place in the first round with only 22% of the vote, and behind Yudhoyono and then president Megawati Sukarnoputri. No one got over 50% of the vote in the first round in 2004, setting up a second round in which Yudhoyono trounced Megawati.

[1](#)4. (C) Kalla and Wiranto also announced that their parties have formed a coalition with former president Megawati's Indonesian Democratic Party of Struggle (PDI-P) plus the Gerindra Party and other smaller parties to form an opposition bloc in the next Parliament. PDI-P would still field Megawati in the presidential election this July, thus creating a three-way race. However, according to observers, if Kalla does poorly and Yudhoyono does well in July, Golkar likely would try to realign itself with PD in order to be part of a governing coalition.

GOLKAR IN-FIGHTING CONTINUES

[1](#)5. (C) The Kalla-Wiranto ticket is not yet settled. A powerful faction of former Golkar elites and local Golkar chapter heads are working behind the scenes to force another Golkar Central Board or plenary to bring Golkar back into the fold with President Yudhoyono's Partai Demokrat (PD), senior

Golkar MP Marsuki Darusman told DepPol/C on May 4. This effort is supported by Parliamentary Speaker Agung Laksono, former Golkar Chair Akbar Tandjung, and People's Welfare Minister Aburizal Bakrie, as well as 24 Provincial Golkar captains and hundreds of sub-district leaders, Marsuki said. These Golkar leaders are worried that the party will be forced into the opposition at the national and local levels, a position which does not suit the stodgy Suharto-era ruling party.

YUDHOYONO BIDES HIS TIME

¶6. (SBU) Amid all this jockeying, Yudhoyono maintains the upper hand. April polls reveal that 50% of the people would vote for him as president, compared to 14% for Megawati and only 6% for Jusuf Kalla. Wiranto polled at only 1.6% as a presidential candidate. Megawati's likely VP candidate, Gerindra Party head Prabowo Subianto, polled at under 6%. In addition, the current PD political party coalition has 48% of the legislative vote, followed by 21% each for the Kalla-Wiranto and the probable Megawati-Prabowo coalitions.

SPECULATION SPIKES RE PRESIDENT'S RUNNING MATE

¶7. (C) Yudhoyono said on May 3 that he has chosen a VP candidate among the 19 persons on his short list. He has said he will wait until the week of May 10-16 before announcing his pick. It is not to his advantage to reveal his hand just yet. By focusing on governing and keeping his opponents offguard, Yudhoyono is exuding an air of confident leadership while the other parties flounder around forming coalitions. While they are squandering their resources

JAKARTA 00000779 002 OF 002

seeking alliances, Yudhoyono is campaigning.

¶8. (C) Speculation re whom Yudhoyono favors for his VP running mate is changing daily. Observers agree that he is looking for someone who is loyal and capable, from outside Java Island (in order to provide balance with the Javanese president), and ideally a technocrat (Ref B). One well-placed source told the DCM that Yudhoyono would like someone too old to succeed him in five years so that he can hand-pick a younger successor to carry on his legacy.

¶9. (C) In the latest speculation, current State Secretary Hatta Rajasa of National Mandate Party (PAN) remains a serious contender. PAN decided at a May 2 National Leadership Meeting to team up with PD and offered up Rajasa as the VP candidate. However, Rajasa's stock might have fallen because PAN was divided on its decision to support Yudhoyono, with PAN Chair Soetrismo Bachir signaling his preference for someone else.

¶10. (C) In recent days, Central Bank Chair Boediyono (one name only) has emerged as a leading contender. He brings no political party support but could help run the economy and brings a high degree of professionalism. Yudhoyono also is said to favor Boediyono because he is too old to succeed him in 2014. Finance Minister Sri Mulyani Indrawati is another respected technocrat who is in the running. Because Yudhoyono is so popular himself, he does not need a popular running mate to win, just someone who will not detract from his support.

¶11. (C) However, the Islamic-based Prosperous Justice Party (PKS), an important part of the likely Yudhoyono coalition, has rejected both Boediyono and Mulyani as too liberal and pro-Western, one informed source told the DCM. PKS threatened to walk away from PD if either of these two are chosen. PKS instead is supporting a bright, young deputy chair of the upper house of Parliament, Irman Gusman, from West Sumatra. He has Islamic credentials as a leader of the Association of Young Muslim Leaders (ICMI) and of the mass organization Muhammadiyah, as well as academic credentials with an MBA from University of Bridgeport, Connecticut.

Yudhoyono's wife Ani, known to be the President's most trusted advisor, also supports Gusman, according to this source.

¶12. (C) Finally, the dissident Golkar faction is still hoping to undermine Kalla's bid and reunite with Yudhoyono. Yudhoyono also has not closed off this possibility. Among Golkar VP contenders, Yudhoyono favors Aburizal Bakrie, Marsuki told us. Bakrie is a wealthy businessman who bankrolled Yudhoyono's last presidential bid. Former Golkar Chair Akbar Tandjung and Parliamentary Speaker Agung Laksono are the other two on Golkar's shortlist.

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